Chapter 6.
Economic Development

Goal:
Attract new businesses and expand existing large and small businesses to provide a broad range of employment opportunities and a high quality of life and prosperity for people living and working in all areas of Forsyth County.

Introduction
Winston-Salem and Forsyth County’s economy has changed dramatically over the last two decades. Offshore labor pools, advanced technologies, and new customers have challenged established business practices at the local level. Forsyth County lost 18,903 manufacturing jobs between 1990 and 2010—a 39 percent drop that continued into the recession.

Despite the trend in this sector, our community has weathered the loss of jobs fairly well. Winston-Salem and Forsyth County have managed to shift, in many ways, to a knowledge- and service-based economy by attracting high-tech medical research companies, nurturing home-grown corporate and entrepreneurial companies, and taking advantage of rapidly rising labor, land and shipping costs in China to “re-shore” manufacturing operations like Caterpillar.

For economic growth and job creation to occur and be sustained in today’s environment, communities need excellence in four important areas: 1) companies engaged in progressive research, advanced production, and professional services; 2) a trained workforce with varied skills and crafts; 3) robust business facilities, sites, and infrastructure; and 4) a vibrant quality of life. The relative strength in these factors affects a community’s ability to grow organizations, companies, and jobs to compete with other areas. At the heart of all of these factors is a culture of active learning, the attainment of knowledge and an atmosphere that encourages innovation.

How Have the 2001 Legacy Plan Strategies Worked?
Many of Legacy’s economic development strategies have worked in spite of the recent recession. Forsyth County and its municipalities support the efforts of Winston-Salem Business Inc., the Winston-Salem Chamber of Commerce, and the Winston-Salem Alliance to facilitate community business growth. These organizations have been successful in attracting and retaining major companies such as Dell, Caterpillar, Pepsi, US Airways, and Wachovia/Wells Fargo.

Wake Forest University and the N.C. Biotechnology Center have been leaders in attracting high-tech medical research companies to Forsyth County. A legacy of the R. J. Reynolds Tobacco Company is the Wake Forest Innovation Quarter. This 200-acre site at the edge of Downtown Winston-Salem provides an appealing urban environment for researchers that is close to housing and retail. The potential growth in high-tech jobs, particularly in biotechnology and life sciences, could be significant. However, to attract higher-paying employers, both our present and future workforce must have the capacity to learn new skills when needed. Forsyth Tech has a nationally-recognized biotechnology training program, one of several successful retraining programs.

Winston-Salem and Kernersville have been successful in the establishment of needed business parks in our community. Since the 1990s, Winston-Salem and Forsyth County have provided land or extended infrastructure to the Union Cross Business Park, the Centre 311 Business Park, and the Dell site. The City also established the Brookwood Business Park near Smith Reynolds Airport to attract smaller, airport-related businesses. In 2007,
the Town of Kernersville engaged in a revenue sharing agreement with the City of High Point to provide sanitary sewer for the Piedmont Triad Business Park with FedEx Ground as its major tenant.

The City of Winston-Salem continues to support the revitalization of abandoned industrial sites, also known as brownfields. The City also provides a small business center for local entrepreneurs and operates a small business loan program. Additionally, there are a number of programs available in the City’s designated Neighborhood Revitalization Strategy Area (NRSA), including the Target Area Business Assistance Program and the Building Rehabilitation Program.

The City of Winston-Salem has also launched and continued a number of economic development initiatives and programs. The Revitalizing Urban Commercial Areas (RUCA) Program, approved in 2006, assists business owners in targeted commercial areas. The first round of funding included Waughtown Street, Washington Park, and Liberty Street. In 2011, the City agreed to extend the program to commercial areas, including Ogburn Station, Waughtown Street, Polo Road/Cherry Street, Peters Creek Parkway, and Academy Street. Since the adoption of the 2001 Legacy Plan, the City also created a business ombudsman position to help businesses navigate permitting and other issues.

Quality of life is becoming more important as a catalyst for economic development. In a time when communities increasingly compete with each other to bring in high-paying job opportunities, many sought-after, well-educated workers are in the position to choose where they want to live as a precondition for where they want to work. The companies and organizations that wish to employ them pay attention to this as well. Thriving downtowns, safe and attractive neighborhoods, educational opportunities, the arts, parks and greenways, and a clean, natural environment have become critical components of the competitive formula for a community’s economic success.

BB&T Ballpark, which opened in 2010 with financing assistance from the City of Winston-Salem, has been successful in bringing people downtown to enjoy other amenities like new restaurants and the growing Arts District. The region has also had a boost from wine production. The 1.4 million-acre Yadkin Valley, just west of Winston-Salem, is home to many vineyards and is North Carolina’s first American Viticultural Area (AVA). The new agricultural tourism designation adopted by the County is helping landowners to preserve rural areas while making a living off their land.

While many of the economic goals of the 2001 Legacy Plan have made progress, we need to move our focus to three main issues: creating new jobs in Forsyth County, the preservation of land for future economic development, and preparing the workforce for the new economy.

Legacy Themes Advanced in Policies and Action Agenda Recommendations

- Fiscal Responsibility
- Livable Design
- Sustainable Growth
Figure 6-1. Business/Industry Cluster Targets for Winston-Salem/Forsyth County and the North Carolina Metropolitan Regions

<table>
<thead>
<tr>
<th>Winston-Salem/Forsyth County</th>
<th>Piedmont Triad Partnership</th>
<th>Charlotte Regional Partnership</th>
<th>Research Triangle Regional Partnership</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advanced Manufacturing</td>
<td>Advanced Manufacturing</td>
<td>Defense</td>
<td>Advanced Gaming/E-Learning</td>
</tr>
<tr>
<td>Biomedical Research/Production/Regenerative Medicine</td>
<td>Aviation/Aerospace</td>
<td>Energy</td>
<td>Advanced Medical Care</td>
</tr>
<tr>
<td>Corporate/Regional Headquarters</td>
<td>Biotechnology</td>
<td>Film</td>
<td>Agricultural Biotechnology</td>
</tr>
<tr>
<td>Design</td>
<td>Creative Enterprises/Arts</td>
<td>Finance</td>
<td>Analytical Instrumentation</td>
</tr>
<tr>
<td>Financial Services</td>
<td>Finance/Business Services</td>
<td>Health</td>
<td>Biological Agents/Infectious Diseases</td>
</tr>
<tr>
<td>Insurance and Investment</td>
<td>Food Processing</td>
<td>International Business</td>
<td>Clean/Green Technologies</td>
</tr>
<tr>
<td>Companies</td>
<td>Furniture/Furnishings</td>
<td>Motorsports</td>
<td>Defense Technologies</td>
</tr>
<tr>
<td>Logistics/Distribution</td>
<td>Health Care</td>
<td>Tourism</td>
<td>Informatics</td>
</tr>
<tr>
<td>Medical Services</td>
<td>Life Sciences</td>
<td></td>
<td>Nanoscale Technologies</td>
</tr>
<tr>
<td>Travel/Tourism</td>
<td>Logistics/Distribution</td>
<td></td>
<td>Pervasive Computing</td>
</tr>
</tbody>
</table>

The former Dell, now Herbalife, plant continued a trend of manufacturing in southeast Forsyth County.
Objectives, Policies, and Action Agenda

Objective 1: Economic Vitality and High-Technology Industries

Increase economic vitality through diversification. Maximize economic growth by building on our community’s strengths in progressive research, advanced production, professional services, and the arts. Actively promote a business climate that supports entrepreneurial innovation through flexible business regulations.

Our community’s strengths as a center of higher education and research, health care, advanced manufacturing, professional services, and the arts, have helped position us to take advantage of new trends in the national and global economy. To continue to grow, Winston-Salem and Forsyth County work with regional economic development agencies like the Piedmont Triad Partnership to conduct strategic marketing and solicit business leads that target suitable business/industry clusters and recruit compatible businesses. Winston-Salem and Forsyth County should target advanced manufacturing, biomedical research and production, and financial services, in addition to many other types of businesses (see Figure 6-1).

The completion of the Fed Ex Mid-Atlantic Hub and a second major runway at the Piedmont Triad International Airport has created the opportunity for our region to become a cargo aerotropolis, or airport city, much like Memphis, Fort Worth, and Milwaukee. Airports have evolved as drivers of business location development in the 21st century in the same way as did highways in the 20th century and railroads in the 19th century. An aerotropolis is a powerful engine of local economic development, attracting air-commerce-linked businesses to the land surrounding major airports and typically attracts industries related to “just-in-time delivery” for manufacturing, e-commerce fulfillment, telecommunications, logistics, exhibition centers, and offices associated with global commerce. Clusters of business and industrial parks, distribution centers and wholesale merchandise marts, such as the International Home Furnishings Market in High Point, locate around the airport and along the transportation corridors radiating from them. While much of this economic development potential is linked to the Piedmont Triad International Airport, Smith Reynolds Airport is positioned to deliver time-sensitive biomedical products to and from the Wake Forest Innovation Quarter.

As businesses become more innovative and entrepreneurial, more flexibility may be needed in our regulations to reduce start-up costs while protecting the public good. For example, it may make more sense to regulate home occupations by performance standards (no outside storage of products, no on-premise sales, maximum 25 percent of home allowed for business, etc.) than by the current method of regulation. Similar issues exist for changes from one type of business to another as well as building code administration when retrofitting older buildings from nonresidential to residential and vice versa.
## Policies

| **Business Recruitment** | Support recruitment and retention efforts by economic development organizations including the Piedmont Triad Partnership, Winston-Salem Business Inc., the Winston-Salem Alliance, the Downtown Winston-Salem Partnership, the Winston-Salem Chamber of Commerce, Wake Forest University, the City of Winston-Salem, Forsyth County, and the State of North Carolina. |
| **Long-Term Economic Growth** | Encourage economic development organizations to prepare and implement a coordinated long-term strategic plan that fosters sustainable economic growth. |
| **Public-Private Partnerships** | Promote public-private partnerships by using local incentives that will facilitate the growth of capital investment and high paying jobs in combination with private economic development entities. |
| **Support Start-Ups** | Foster an environment supportive of business start-ups through incubators, such as The Enterprise Center of Winston-Salem State University, the Small Business Center at Forsyth Technical Community College, and through flexible regulations. |
| **Innovation Quarter Development** | Support development objectives for the Wake Forest Innovation Quarter, including venture capital funds. |
| **High-Tech Spin-Offs** | Encourage spin-off manufacturing of products related to medical and other high-tech research and development operations (e.g., Center for Nanotechnology and Molecular Materials at Wake Forest). |
| **Aerotropolis Initiative** | Support the Aerotropolis initiative emanating from the Fed Ex Air Cargo Hub at the Piedmont Triad International Airport and look for ways to extend that concept to Smith Reynolds Airport. |
| **Environmentally-Sound Community** | Support an attractive and environmentally sound community with a high quality of life to attract quality, high-paying employers. |
| **Agricultural Economy** | Support rural businesses and the agricultural economy by encouraging farming and agricultural tourism in GMA 5. |
| **Tourism** | Support tourism, the convention center, local historic resources, recreational opportunities and arts-related attractions in Winston-Salem and Forsyth County. |
| **Cultural Diversity** | Recognize and support business opportunities associated with the growing diversity of cultures. |
| **Creative Enterprises and the Arts** | Recognize music and entertainment-related production and manufacturing as part of the Piedmont Triad Region’s targeted creative enterprises and arts business and industry cluster. |
| **Creative Class** | Attract creative individuals by promoting educational opportunities and diverse, affordable neighborhoods. |
| **Home-Based Businesses** | Support the growing trend of low-impact, home-based businesses. |
| **Downtown Housing and Retail** | Encourage the development of housing and accompanying retail services to attract researchers and other professionals to live in Downtown Winston-Salem. |
6.1.1. Suitable Business Clusters Target and market suitable and feasible business/industry clusters (Figure 6-1).

6.1.2. Expedited Permitting Maintain special interdepartmental teams to expedite the permitting process for significant economic development projects.

6.1.3. Regional Business Opportunities Participate in regional planning and business recruitment spin-off opportunities emanating from the FedEx Air Cargo Hub.

6.1.4. Smith Reynolds Airport Opportunities Explore air cargo opportunities at Smith Reynolds Airport for “just-in-time” delivery of medical, biomedical and other urgent delivery products.

6.1.5. Assist with Business Permitting Enhance the business ombudsman position to assist businesses in the permitting process.

6.1.6. Automated Permit Applications Improve communication with business permit applicants by using automation during the plan review process.

6.1.7. Find Detrimental Codes and Regulations Investigate existing codes and regulations that may be detrimental to small business or entrepreneurial business growth.

6.1.8. Flexible Home-Based Business Regulations Examine current home occupation regulations to determine if performance-based standards may allow more flexibility for start-up businesses.

6.1.9. Local Telecommunications Infrastructure Develop the Winston-Net fiber optic network and other telecommunications-based infrastructure countywide.
Objective 2: Education
Improve education at all levels for a trained workforce with varied skills and crafts.

As the national employment base transitions from manufacturing- and goods-producing to knowledge-based and service-providing, so does Forsyth County’s (see Chapter 2, Updated Trends). Our community’s share of service sector jobs has increased by 12 percent since 1990, replacing industrial and retail jobs (Figure 6-2). To adapt, Forsyth County will need to provide retraining, more and higher educational opportunities to our workforce, embrace the growth of knowledge-based jobs in technology and advanced manufacturing, and have a quality of life that attracts and keeps highly educated, skilled workers. Local elementary and secondary schools also need curriculums with more emphasis on science, technology, engineering and math (STEM).

Figure 6-2. Forsyth County Job Composition by Employment Sector

---

Policies

Educated Workforce Support Forsyth Tech and other institutions of higher learning to meet the challenges of providing a well-trained and highly educated workforce.

K-12 Education Promote community initiatives to maintain and improve the quality of primary and secondary schools in Forsyth County.

Recruiting Companies Capitalize on the presence of world-class corporations and institutions of higher learning in Forsyth County to recruit prospective companies.

Action Agenda

6.2.1. Forsyth Tech Establish needed education programs at Forsyth Tech.

6.2.2. Training for Emerging Job Sectors Work with the business community and all learning institutions to assure students are receiving training for jobs in emerging sectors, particularly in science, technology, engineering, and math (STEM).

6.2.3. Grassroots Education Programs Support and participate in grassroots programs like the Winston-Salem Chamber’s K-12 public school volunteer programs, including STEM-related activities.
Objective 3: Business Sites
Create viable, development-ready business/industrial park sites for high-quality companies and primary job generation. Recognize the scarcity of good industrial land and promote the wisest economic use of those limited resources to generate needed jobs and create wealth for our community.

With 120,000 more people coming to Forsyth County, the need for new high-quality jobs is crucial. Business and industrial parks tend to create better than average paying jobs for workers; they also contribute greatly to the local tax base. In fact, business and industrial park properties generally require only $0.35 to $0.65 in local government services per dollar of tax revenue paid compared to the $1.15 to $1.50 needed for low-density residential properties. However, Forsyth County and Winston-Salem have a shortage of the kind of industrial sites that will help us attract new companies and jobs.

A nationwide sampling of other successful communities of over 100,000 people found that about 10 percent of their land area is devoted to industrial development. Forsyth County only has 7.5 percent of its serviceable land area designated for industrial use, which translates into a shortage of 4,000 acres the equivalent of 10 to 15 additional large business parks.

One factor that makes preservation of industrial land difficult is our current zoning pattern. The Planning Department has identified 4,000 acres in Forsyth County that would be ideal for industrial and business development due to topography, access to utilities, and proximity to transportation infrastructure (Map 6-1); however, the default zoning for most areas of the county is single-family residential, which makes it difficult to stop residential encroachment on these sites.

Policies

- **Protect Future Industrial Land** Encourage the protection of industrial opportunity areas from other types of development that make it difficult to assemble land.

- **Infrastructure for Growing Business** Continue to improve the transportation and utilities infrastructure that support the needs of existing and prospective manufacturers and distributors.

- **Protect Rural Areas** Protect rural areas and avoid much more expensive utility extensions by discouraging the development of industrial parks in Forsyth County’s Rural Area (GMA 5).

### Action Agenda

6.3.1. **Protect Industrial Opportunity Areas**
Protect planned industrial areas by following the recommendations of the Planning Department’s industrial sites study, area plans, the Southeast Gateway Plan, the Liberty Street Corridor Plan, the Downtown Development Plan and other development guides.

6.3.2. **Industrial Land Protection Mechanisms**
Explore mechanisms such as land banking, industrial zoning, tax credits, tax abatement or deferrals for industrial land protection.

6.3.3. **Industrial Zoning Change**
Seek changes to legislation to allow property to be zoned for future industrial use without tax penalties.

6.3.4. **Development-ready Sites**
Support the NC Legislature’s Development Ready Jobs Study (Senate Bill 545/House Bill 628), which directs the Revenue Laws Study Committee to examine policies and incentives that would stimulate the creation of development-ready business/industrial sites and aid in job recruitment and retention efforts.

6.3.5. **Expedited Highway Construction**
Consider expediting construction of highways that will support business park development.

6.3.6. **Economic Development Target Areas**
Map target areas for economic development and make them available online as a marketing tool.
Map 6-1.
Future Industrial Opportunity Areas
Objective 4: Revitalization of Older Business Sites
Stimulate redevelopment and increased economic activity on abandoned, obsolete or aging industrial sites as well as commercial areas/corridors that have become less economically attractive. Upgrade sites to become assets to the local tax base and positive contributors to the overall community image.

While some new industrial and business parks can be built on abandoned or rehabbed industrial sites, smaller land parcels, lower building heights, the existing street network, and tight project timelines often make older manufacturing sites unsuitable for today’s industrial needs. Older industrial areas are not likely to be used by Class A occupants, so converting these sites to other business uses or even residential or commercial uses is often a better strategy.

There are many opportunities for business development in Downtown Winston-Salem and the surrounding Center City. The Wake Forest Innovation Quarter is adaptively reusing older industrial buildings as well as constructing new mixed-use buildings.

Many of our commercial corridors are also in need of revitalization. The declining economic vitality of low-income areas, competition from big-box stores and online shopping have had a huge impact on neighborhood businesses in Winston-Salem and Forsyth County. Smaller scale businesses that cater to nearby neighborhoods have been most affected, resulting in a loss of jobs and disinvestment along many retail corridors like N. Liberty Street, Peters Creek Parkway and Martin Luther King Jr. Drive.

Policies

Infill Business Parks: Continue to support the creation of infill business/industrial parks like the Winston-Salem Business Park on Lowery Street and the Brookwood Business Park off Liberty Street near Smith Reynolds Airport.

Business Incentives in Underserved Areas: Promote an incentives policy that encourages business/retail/industrial development in underserved areas such as eastern Winston-Salem.

Physical Improvements Encourage property owners and local governments to rehabilitate their physical facilities and public infrastructure to accommodate new businesses.

Improve Appearance Target infrastructure and appearance improvements to enhance older industrial/commercial areas.

Support Rehabilitation of Older Industrial Sites Forge new public, private, and nonprofit alliances to garner financial and other community support to rehabilitate abandoned and obsolete industrial sites for residential or nonresidential purposes.

Community Development Corporations Support local Community Development Corporations (CDCs) in their efforts to improve local business areas.

Organize for Business Development Align the efforts of property owners, realtors, business owners, and the community to strengthen business development efforts through the work of CDCs and other community organizations.

Older Business Corridors Support the improvement of older business corridors throughout the county.

Investments for Business Revitalization Make transportation infrastructure investments to improve accessibility and connectivity to areas for business revitalization.
### Action Agenda

**6.4.1. RUCA Program** Continue funding and implementation of the Revitalizing Urban Commercial Areas (RUCA) Program. Consider additional ways to use RUCA money for commercial site upgrades, including the improvement of infrastructure.

**6.4.2. Incentives for Alternate Sites** Consider local incentives to encourage business reinvestments in abandoned, obsolete or brownfield industrial sites.

**6.4.3. Brownfield Grants** Apply for and use EPA and NC Department of the Environment and Natural Resources (DENR) grants to identify, clean up, and rejuvenate brownfield sites.

**6.4.4. Business Improvement Programs** Promote the use of existing City of Winston-Salem initiatives such as the small business loan program, the Business Training Program, the Building Improvement Rehabilitation Program, and the Target Area Business Assistance Program.

**6.4.5. Transportation Corridor Improvements** Use locally directed federal transportation funds for corridor improvement projects such as the current efforts along Peters Creek Parkway and Martin Luther King, Jr. Drive to create transit and pedestrian-friendly environments.

**6.4.6. Streetcar** Build a Center City people-mover or streetcar system that will create linkages and spur business and development growth between the universities, medical centers, Wake Forest Innovation Quarter, Center City neighborhoods and the Downtown Winston-Salem area.

**6.4.7. Aesthetic Concerns** Consider incentives and/or other measures to address the aesthetic concerns of vacant or derelict commercial or industrial buildings and properties.

**6.4.8. Revitalization Opportunities** Use the area plan process to help identify revitalization opportunities.

### Conclusion

Employment trends are changing rapidly as we move away from our traditional manufacturing-based economy. Overall, Forsyth County and the Triad have done well in the shifting economy. Now we need to prepare for the influx of population and new jobs. All citizens, existing and future, should have safe and healthy job opportunities that pay a living wage.

Our community has a 250-year history of economic innovation and resilience. Community leaders during each phase of economic change or restructuring charted a new path to prosperity that served the city and county well. The current period of economic transition will provide new opportunities for growth if we recognize and act on them.

Caterpillar is now manufacturing axles in its Winston-Salem plant.